

# Chapter 19

Economic Change and the Crisis  
of the 1890s

Pages 583-606

Describe the economy between the depressions of 1878 and 1893.

- The GNP almost doubled.
- Per capita GNP increased by 35%
- Manufacturing increased by 180%
- Agriculture grew by 26%
- Value of manufacturing surpassed agriculture by 2x

Identify the single industry that played a key role in the economic growth.

- Railroads
- Tracks increased by 113%
  - 103,649 miles to 221,864 miles
- Rrs increased steel production
- Single largest consumer of coal
- Single largest employer

What did farmers mean when they accused industries of monopoly exploitation?

- Farmers believed rr companies kept rates high in areas where they had no competition.
- They tried to deal with these high shipping rates by organizing cooperatives to sell crops and buy supplies
  - Patrons of Husbandry (ie. Grange)
  - Granger laws—established rr commissions that fixed maximum freight rates and warehouse charges

What was the impact of the *Munn v. Illinois* case?

- It ruled that the state gov'ts could regulate businesses clothed with a public interest (ie. Rr, millers, innkeepers)

# What did the Interstate Commerce Act of 1887 do?

- Outlawed pools,
- Outlawed discriminatory rates,
- Outlawed the long-haul v. short-haul differentials
- Outlawed rebates to favored shippers
- Created the ICC to define the requirement of 'reasonable and just' freight and passenger rates

List several technological advances of this time period.

- Railroad automatic signals,
- Airbrakes
- Bessemer steel process
- Telephone
- Electric lights
- Typewriters
- Elevators
- Structural steel
- Phonograph
- Motion pictures
- Generators
- Internal combustion engine

# List some of the innovations highlighted at the Philadelphia Centennial Exposition.

- Telephone
- Typewriter
- Monorails
- Streetcars
- Linoleum
- Canned food
- Dry yeast
- Bananas
- popcorn



Read the “Gilded Age Cities”.

Describe the living conditions in the cities of the three different economic classes.

- Upper class—extravagant, showy, one-up-manship
- Middle class—began suburban development, single house, small plot of land, want high schools, and public library
- Lower class—tenements, crowded, many foreigners, or people fresh from the farm

# How did stores and shopping change after the Civil War?

- Stores no longer specialized in one thing—shoe stores, dressmakers
- Department stores (1<sup>st</sup> was Wanamaker)
- Chain stores—due to mass and standardized production
  - A & P, Woolworth's
- Shopping became an experience, plush glitzy surroundings
- For those that couldn't get to city mail-order catalogs

In what ways did the magazines and the newspapers change?

- Magazines became the center for advertising, detailed pictures, short stories, controversial topics
- Newspapers began to use illustrations, began more elaborate Sunday editions, cartoons were introduced

How did the middle class African Americans seem to support Booker T. Washington's theory of accommodation?

- They achieved economic success, often by working in industries for white
- Then, started newspapers or wrote books about experiences.

**How did women begin to break out of the “separate sphere” mold?**

- Stores began catering to women where they had previously not be accepted
- Rise in female enrollment of school
- Rise in employment rates created social and economic independence.

# Describe the two parts of the Chicago World's Fair.

- White city
  - Demonstrated benefits of urban planning,
  - Showed off new technology, esp. electricity
  - Had a gigantic department store
- Midway Plaisance
  - Mile long collection of 'amusements' everything from a ferris wheel to bizarre sights
  - \*\*Pledge of Allegiance was introduced at this fair

Why was the phrase the Gilded Age used to describe this time period?

- The extravagance demonstrated by the wealthy—huge houses, summer houses, parties...excessive and showy.

Why did the antitrust movement form?

- To curb the vast power wielded by the large companies

# What was the purpose of the Sherman Antitrust Act?

- It declared trust illegal, but language was so vague and no specific consequences were outlined
- Empty law

## **Who (and why) fueled much of the labor strife in this time?**

- Skilled artisans
- out of fear for their way of life disappearing and their economic independence disappearing as more and more ppl become dependent on wage labor.

# What were the effects of the Baltimore and Ohio railroad strikes?

- The strike spread to other railroad companies
- Fighting between the state militias and the strikers made it the bloodiest labor conflict at that time (100 dead)



# How was the Knights of Labor different from most unions?

- It was organized by industry not craft—skilled and unskilled worked accepted
  - Some accepted women and blacks
  - Although other local branches were so exclusive that they hurt themselves
- Goals of higher wages, shorter hours, better working conditions through collective bargaining (and strikes, although leadership discouraged strikes)
- Suggested cooperative ownership of mines, factories, and railroads—communism.

# Describe the Haymarket Incident.

- Rising radical ideology—socialism and anarchism—led to major tensions between police and labor unions
- Culminated at Haymarket after violence at strike.
- 10 were killed-6 police
- Police went on hunt for perpetrators, arrested 100s of labor leaders, tried and convicted 8
- Violence led to decreased support for labor unions

# In what ways was the AFL different from the KoL?

- AFL organized by trade, supported capitalism and the wage system
- Goals were same, though

## **What was the main argument of Henry George's book, Progress and Poverty?**

- Land monopoly—control of land and resources by the few—created major contrast between wealthy and poor
- His sol'n was to tax any capital gain on a property by 100%--eliminating the need for other taxes and narrowing the gap b/w rich and poor

What was the main theme of the book Looking Backward?

- The main theme was the creation of nationalism—national gov't control of industry with equal pay for every one and no economic classes

What movement was created out of support for Bellamy's nationalism?

- The Social Gospel movement—aiding the poor was as important as saving souls

## Describe the Homestead Strike.

- Frick was going to lock down the mill in response to a threatened strike due to wage cuts,
  - By locking down the mill he would shut out the union members and be able to bring in scabs
- Instead the union members refused to leave.
- Frick brought in 300 Pinkerton guards and an all-out gunfight broke out. 9 strikers dead and 7 guards
- Governor sent in militia to protect strikebreakers and reopen the plant

List the causes of the depression of 1893-97.

- Panic of 1893—stock market crash
- British calling in U.S. loans depleting gold
- Declining farm prices
- Overly rapid railroad expansion
- Bankruptcy of Reading Railroad and National Cordage Company triggered many other bankruptcies.

# What was the outcome of the Pullman Railroad Strike?

- President Cleveland sent in federal troops.
- U.S. attorney general used the Sherman Antitrust Act to order an injunction against Debs (leader of the Railway Union) on the grounds that the boycott and strike were a conspiracy to restrain trade
  - Upheld by the Supreme Court
  - 34 dead, millions of \$ worth of property damage, Debs in jail—turns Socialist

What are some reasons farmers begin to organize?

- Declining prices, unfair shipping costs, unpredictable weather, freak grasshopper incidents, restraints on \$--constraints on credit

What did 'free silver' supporters want?

- Gov't purchase of all silver offered for sale at price of 16 to 1 ratio and its coinage into silver dollars



# What was the platform of the Farmers Alliance (later Populist Party)?

- Graduated income tax
- Direct election of U.S. Senators
- Free and unlimited coinage of silver at 16 to 1 ratio
- Gov't control, and ownership, of railroads, telegraphs, and telephone companies
- Establishment of subtreasuries (federal warehouses) for storage of crops with gov't loans at 2% interest

How did William Jennings Bryan manage to win the Presidential nomination for both Democrats and Populists?

- Democrats were upset with depression and Republican control
- Began to support free silver
- Plus if these two groups work together perhaps they can regain control

What led to the end of the depression?

- The discovery of gold in Alaska
  - Also ended discussion of free silver.